

We claim:

1. A method of conducting an e-commerce transaction over a communications network, comprising:

(a) a customer providing payment information to pay for selected goods or services offered by a merchant;

(b) entering the payment information on an e-commerce site associated with the merchant and that is hosted by a merchant-hosting entity having a permanent payment processing account, and associated account identification information, with a financial processing authority;

(c) submitting merchant identification information and the payment information to the merchant-hosting entity;

(d) validating the merchant identification information;

(e) upon validation, forwarding the payment information and payment processing account identification information to a payment gateway entity;

(f) the payment gateway entity submitting the payment information and account identification information to the financial processing authority for payment authorization;

(g) upon authorization, forwarding authorization data to the merchant-hosting entity via the payment gateway; and

(h) notifying the merchant of the payment authorization.

2. The method of claim 1, wherein a permanent payment processing account associated with the merchant is not used in connection with the transaction.

3. The method of claim 1, wherein the payment information includes account information from at least one established electronic payment vehicle and a purchase amount.

4. The method of claim 3, wherein the at least one established electronic payment vehicle is one of a credit card, a debit card, purchase card, virtual check and smart card.
5. The method of claim 1, further including the step of the customer selecting the goods or services for purchase at the merchant's e-commerce site prior to step (a).
6. The method of step 1, wherein step (b) further includes submitting customer identification data to the merchant-hosting entity.
7. The method of step 6, wherein the customer identification data comprises a customer name and delivery information.
8. The method of claim 1, wherein the merchant-hosting entity is capable of hosting a plurality of different merchant sites.
9. The method of claim 1, wherein the merchant and the merchant-hosting entity are separate entities.
10. The method of claim 1, wherein the merchant's e-commerce site is a website.
11. The method of claim 1, wherein the merchant's e-commerce site is accessible telephonically.
12. The method of claim 1, further including the step of notifying the customer of the authorization of the transaction.
13. The method of claim 1, further including the step of settling the transaction.
14. An e-commerce transaction system for processing payment for goods or services offered by a merchant and selected for purchase by a customer using an established electronic payment vehicle, and without resort to a permanent payment processing account associated with the merchant, the system comprising:

- (a) a communications network;

(b) a merchant-hosting entity computer system connected to the network and associated with a permanent merchant payment processing account, the merchant-hosting entity computer system including

10 a server that hosts a merchant-hosting entity site and a merchant e-commerce site whereat payment information from the established electronic payment vehicle may be entered to pay for the selected goods or services,

a database containing a table for storing merchant identification data, customer identification data, and the payment information, and

15 an application program interface wrapper that integrates the merchant's e-commerce site with the merchant-hosting entity site;

(c) an electronic payment gateway computer system connected to the network and in communication with the merchant-hosting entity computer system, that stores the merchant identification data; and

20 (d) an electronic payment processing authority computer system in communication with the payment gateway computer system that authorizes the customer payment for the selected goods or services.

15. The e-commerce transaction system of claim 14, wherein the established electronic payment vehicle is a credit card.

16. The e-commerce transaction system of claim 14, wherein the merchant-hosting entity server host a plurality of merchant sites.

17. The e-commerce transaction system of claim 14, wherein the merchant's e-commerce site is a website.

18. The e-commerce transaction system of claim 14, wherein the merchant's e-commerce site is accessible telephonically.

19. A method of electronically enabling a merchant to accept orders for electronic processing at a site without using a merchant permanent payment processing account, the

site being hosted by a merchant-hosting entity that has a permanent payment processing account and that is linked to an electronic payment processing authority via a payment gateway, the method including:

(a) the merchant electronically accessing a merchant account application at a site;

(b) the merchant electronically submitting the merchant application to a payment gateway entity;

(c) the merchant receiving a merchant account approval notification;

(d) the merchant-hosting entity receiving merchant account approval notification from the payment gateway entity; and

(e) the payment gateway entity activating the merchant account.

20. The method of claim 19, wherein the merchant application is accessible at the site of the merchant-hosting entity site.

21. The method of claim 19, wherein the approval notification received by the merchant is sent via e-mail.

22. A method of electronically settling online payment transactions conducted between e-commerce merchants customers that pay with established electronic payment vehicles over a communications network and without resort to merchant-level permanent payment processing accounts, wherein each merchant has an e-commerce site accessible to

customers that is hosted by a merchant-hosting entity and a unique merchant identification code associated with, and stored in a merchant database of, the merchant-hosting entity, the merchant-hosting entity further having a permanent payment processing account and being linked, via a payment gateway entity, to an electronic payment processing authority for authorization of merchant transactions, wherein funds for the transaction that are to be finally deposited in the appropriate payee banks are initially deposited by the payment processing authority into an acquiring bank, the method including:

(a) the payment gateway entity matching each transaction authorized by the payment processing authority on behalf of the merchant-hosting entity with the appropriate merchant; and

- 15 (b) the payment gateway entity parsing funds deposited in the acquiring bank to the appropriate payee banks.

23. The method of claim 22, wherein the parsing step includes the steps of:

(a) the payment gateway entity directing the acquiring bank to fund and funding the payment gateway bank the transaction amount;

- 5 (b) the payment gateway bank funding the merchant bank the amount of the transaction less a transaction fee;

(c) from the transaction fee, the payment gateway bank funding the payment authorization entity a processing fee; and

(d) the payment gateway bank funding the merchant-hosting entity bank an agreed upon residual fee.